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Why are we doing this initiative?

- The current Prospective Payment System is focused on outputs.
- The Quadruple Aim describes a set of outcomes for the MHS.

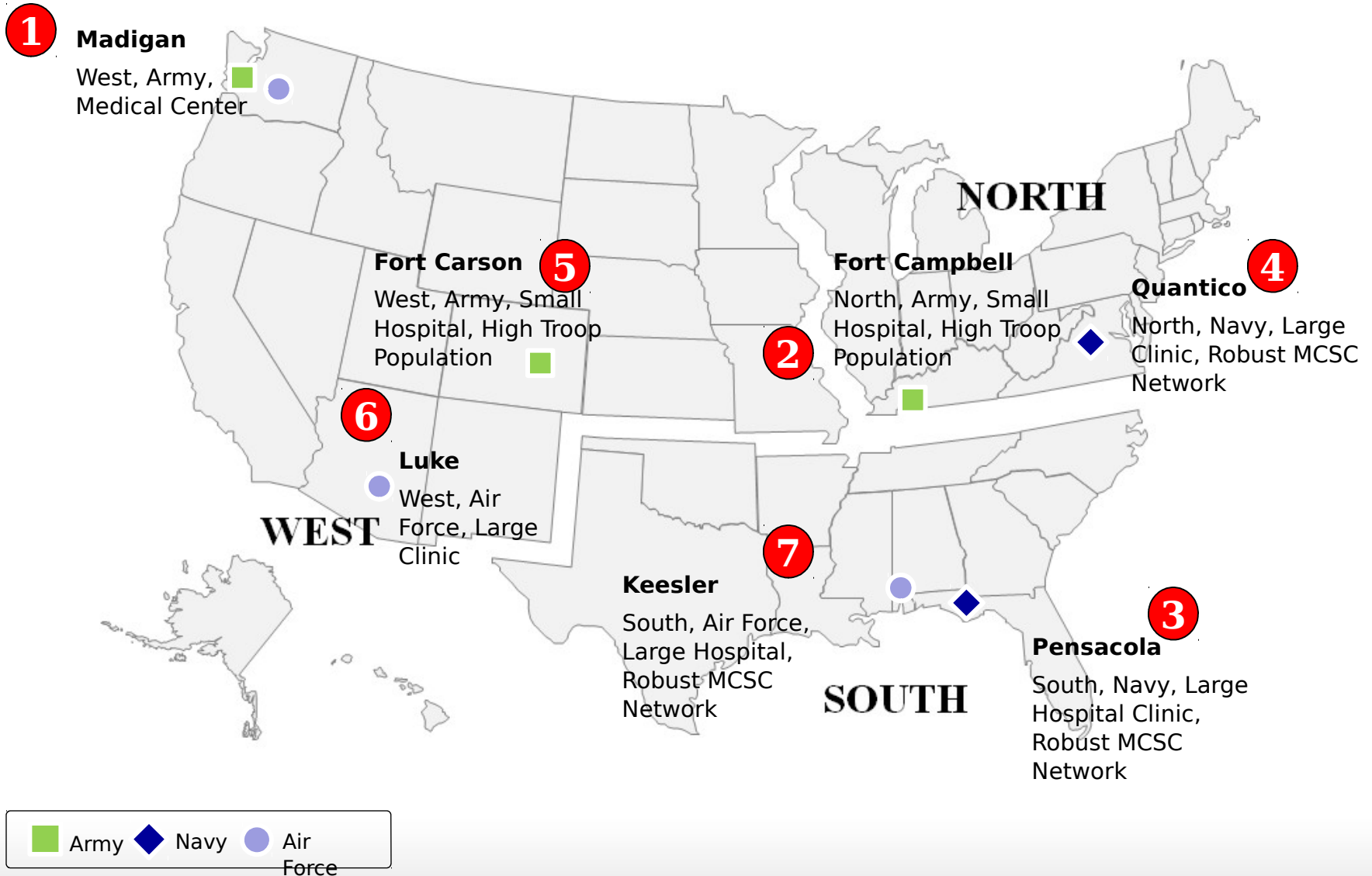


- Balanced, value-based incentives could reconcile the strategic objectives of the MHS with day-to-day activities at the clinic level

Goals for the Performance Planning Pilots

1. Align MTF and TRO activities to help achieve the Quadruple Aim
2. Translate the MHS Strategic Imperatives Scorecard into MTF Strategic Imperatives AND INITIATIVES Scorecard
3. Help MTF leadership teams develop and execute meaningful strategic initiatives that advance the quadruple aim
4. Support knowledge sharing and best practice dissemination

Performance Planning Pilot Sites



Timeline for Pilot Sites

- Facilitate seven on-site consultative sessions – May/June 2010
 - Fully coordinated with Service planning and PCMH implementation plans.
- Finalize MTF/TRO Performance Plans – August 2010
- Launch pilots – October 2010
- Mid-Year Review – March 2011
- One-Year Review – October 2011

Financial Incentives – Current State and Pilots

		Direct Care					Purchased Care	
Feature		FY11 HA/TMA Guidanc e	Army (PBAM)	Navy (PBB)	AF*	FY11 Pilots	Current	FY11 Pilots
Rewards for Quadruple Aim Performance	Readiness – Individual Medical Readiness			X		X		
	Population Health – Prevention (e.g., Screens)		X	X		X		X
	Experience of Care – Evidence Based Guidelines		X	X		X		
	Experience of Care – Beneficiary Satisfaction		X	X		X	X	X
Rewards for Volume	Experience of Care – PCM Continuity		X	X		X		
	Experience of Care – Access		X	X		X	X	
	Experience of Care – Safety							
System Integration	Per Capita Cost – Management of ER Utilization		X			X		
	Per Capita Cost – Pharmacy Management							X
Note: In this chart, “rewards” refer to financial incentives *Air Force monitors performance but has not taken a P4P approach				X	X	X	X	X
Primary Care – Per Enrollee Payment (Continued)						X		

Incentive Design Plan for Pilots

- **Incentive design for MTFs**

1. Primary Care

- a. Operating as a Patient Centered Medical Home – Per-enrollee payment for each beneficiary enrolled to a NCQA Level 2 medical home
- b. All other Primary Care – Fee for service
- c. Administrative fee for Care Management

2. Specialty Care, Inpatient, and Behavioral Health will be paid fee for service using the current prospective payment system methodology

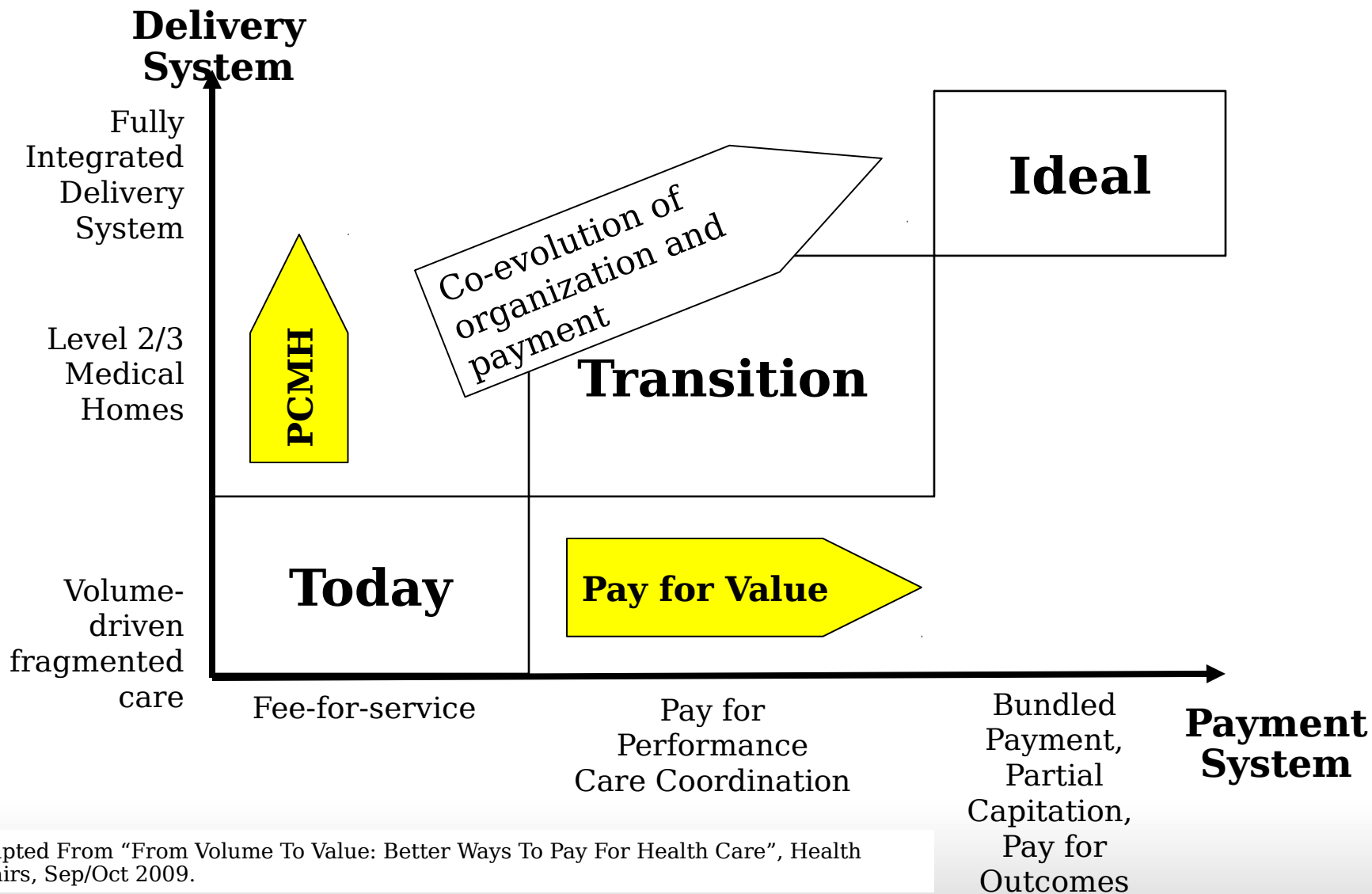
3. Performance adjustments aligned with Quadruple Aim:

- a. Readiness: Reducing Rate of Indeterminate IMR
- b. Experience of Care: Patient Satisfaction, PCM Continuity, Third Next Available Appointment Acute/Routine, HEDIS – Following Evidence-Based Guidelines, ORYX
- c. Population Health: HEDIS – Preventive Screens

Incentive Design Plan for Pilots

- **Complementary Guidance for TROs**
 - Partner with MTF Pilots in development of MTF Plans
 - Decrease ER utilization by network enrollees
 - Increase migration from retail pharmacy to TMOP
 - Increase compliance with cervical cancer screening
 - Reduce avoidable inpatient care
 - Manage total per capita cost for network enrollees

Transition In Both Payment and Delivery Systems



***The Performance Planning Pilots
were Not Intended to be Tests of
PCMH - They were an effort to test
the ability of MTFs to function as
Accountable Care Organizations***

Key Principles for Pilot Success at MTFs

1. For a given enrolled population, reduce the reliance on face to face visits and promote active partnering with patients and families. Use resulting capacity to improve the health of the population and experience of care. **Once you have optimized care, increase enrollment as appropriate.**
2. If effective in principle #1, you will reduce specialty and inpatient workload for your enrollees. **To ensure currency, deliver additional care to Standard, TRICARE for Life, and HCSC enrollees.** Doing this will result in dual benefit—increased FFS revenue and decreased per capita cost
3. **Reduce variation by practicing according to the best clinical evidence** (e.g., diagnostic testing, medical imaging, medication regimens)
4. **Achieve balanced year-over-year improvements** in measures of readiness, population health, experience of care, and per capita cost, versus focusing on one or two of the four aims.

Identifying Strategic Initiatives

- Pick three or four items based on:
 - Need for improvement
 - Capability to make improvement
 - Balance
 - Passion
- What is the balance you wish to achieve?
 - Quadruple Aim
 - Near term performance, longer term sustained success (production vs. production capability; the P/PC balance)

Lesson Learned - We need more performance improvement skills

We need additional training so that leaders and managers have improved ability to:

- Identify “what is the problem we are trying to solve”
 - “Soft evidence”
 - “Hard evidence”
- Establish baseline and target measures of performance that before beginning an initiative
 - Measures tied to pay for performance
 - Measures that are important but are not tied to P4P
- Develop an execution plan with realistic milestones
- Estimate resources required
- Develop a risk management plan

Questions We Intend to Answer Through the Pilots

- Do MTF-level financial incentives result in improved Quadruple Aim performance?
- How do the pilot site results compare with trend toward improvement across MHS in 2011?
- Which incentives should be deployed more broadly?
- Were there unintended consequences of the pilots?
- Did Service, MTF and TRO leadership find the planning process relevant and useful?